CONSOLIDATED STATEMENT OF SOURCE AND APPLICATION OF FUNDS

(Unaudited, $000's omitted)

	Six months ended June 30	
	1973	1972
Source of Funds		
Earnings for the period	$24,243	$19,160
Depreciation	10,696	9,745
Deferred income taxes	6,706	5,455
Debentures issued	50,000	29,522
Other transactions	(315)	1,817
	$91,330	$65,699
Application of Funds		
Dividends paid	$12,784	$11,727
Capital expenditures	36,988	24,995
Long term debt reductions	27,581	5,528
	$77,353	$42,250
Change in Working Capital	$13,977	$23,449
Working Capital—January 1	$ (707)	$ (818)
Working Capital—June 30	$13,270	$22,631

Deliveries (barrels per day):

	1973	1972
First Quarter	1,435,480	1,116,033
Second Quarter	1,349,836	1,014,416
Third Quarter	—	1,104,344
Fourth Quarter	—	1,226,166

PRINTED IN CANADA

Interprovincial Pipe Line Limited

QUARTERLY REPORT

FOR SIX MONTHS ENDED JUNE 30, 1973

Interprovincial Pipe Line Limited

and subsidiary companies

REPORT FOR SIX MONTHS ENDED JUNE 30, 1973

To the Shareholders:

Throughput

Deliveries of crude oil, natural gas liquids and refined products during the first six months of 1973 averaged 1,392,421 barrels per day – some 30% more than in the corresponding period in 1972.

Deliveries (barrels per day)	First six months 1973	1972
Western Canada	134,742	106,599
United States	812,211	558,257
Ontario	445,468	400,369
	1,392,421	1,065,225
Barrel Miles (millions)	352,128	272,615

Construction

On July 3 the National Energy Board approved the Canadian portion of the 1973 planned expansion and work on the $100 million Interprovincial/Lakehead program is now under way.

The largest project is the 203 miles of 48″ loops that are being constructed between Edmonton and Superior. These loops, combined with the horsepower that is being added, will increase the capacity of the pipe line system out of Cromer, Manitoba by 120,000 b/d to 1,555,000 b/d. A total of 32 miles of 20″ looping is also being undertaken in Ontario and into Buffalo, New York.

Financing

To finance the 1973 construction program, $50 million principal amount 8⅛% 20-year Sinking Fund Debentures, Series C were sold for settlement on May 1, 1973 at par.

Change in Name

On August 1 the status of the company changed from that of a Special Act Company to a Letters Patent Company with slightly broader "objects" and our name changed to INTERPROVINCIAL PIPE LINE LIMITED.

Dividend

On July 25 a quarterly dividend of 30¢ per share was declared payable on August 31 to shareholders of record on August 7. This represents a 5¢ per share increase over the dividend paid the last three quarters.

Toronto, Ontario
August 3, 1973

D. G. Waldon
President

CONSOLIDATED STATEMENT OF EARNINGS

(Unaudited, $000's omitted)

	Six months ended June 30 1973	1972
Income		
Transportation revenue	$101,727	$79,012
Other income	1,079	833
	$102,806	$79,845
Expenses		
Operating and administrative	$ 25,132	$16,724
Property and other taxes	5,376	5,400
Depreciation	10,696	9,745
Interest	10,530	9,470
	$ 51,734	$41,339
Earnings before income taxes	$ 51,072	$38,506
Provision for income taxes	26,829	19,346
Earnings for the period	$ 24,243	$19,160
Earnings per share	95¢	75¢

INTERPROVINCIAL PIPE LINE COMPANY

REPORT OF THE TWENTY-FOURTH ANNUAL GENERAL MEETING AND SPECIAL GENERAL MEETING OF SHAREHOLDERS

TORONTO, ONTARIO

APRIL 11, 1973

PROCEEDINGS
OF THE
ANNUAL AND SPECIAL
GENERAL MEETING
OF
INTERPROVINCIAL PIPE LINE COMPANY

The Twenty-fourth Annual and Special General Meeting of Shareholders was held in the Royal York Hotel in Toronto, on April 11, 1973, conducted by Mr. D. G. Waldon, President of the company. 133 persons were present of whom 99 were shareholders. Including proxies, 79% of the total shares outstanding were represented.

The Special General Meeting was necessary to consider a resolution passed by the Board of Directors authorizing the company to apply to the federal authorities for permission to change its status from that of a Special Act Company to a Letters Patent Company. Shareholders were also asked to sanction and confirm Consolidated By-Law No. 1 enacted by the Board of Directors to update and consolidate the company's By-Laws. Better than 99% of the votes cast were in favour of the two resolutions.

Other business transacted during the meeting included presentation of the Directors' Report to Shareholders, the Consolidated Financial Statements for the year 1972, and the Auditors' Report. Price Waterhouse & Co. were re-appointed as auditors.

Following presentation of the financial statements, Mr. Waldon and Mr. Heule, Vice-President & General Manager, addressed the meeting. Their remarks are reproduced on the following pages for the benefit of those shareholders who were unable to attend the meeting.

Messrs. J. W. Hamilton and W. P. Wilder did not stand for re-election to the Board of Directors, and there was a vacancy created by the death of the late Mr. R. H. Reid. The remaining eight directors were re-elected at the meeting, plus Mr. J. H. Hamlin, a Senior Vice-President of Imperial Oil Limited; Mr. A. H. Lemmon, President of The Canada Life Assurance Company; and Mr. C. E. Medland, President of Wood Gundy Limited.

At the Board Meeting following the Annual Meeting, Mr. J. G. Livingstone was elected a Vice-President of the company to succeed Mr. Hamilton, and the former Secretary-Treasurer, Mr. J. Blight was elected Vice-President & Treasurer. Mr. E. G. Sheasby was appointed Secretary in addition to his position of General Counsel, and Mr. F. B. Newton was appointed Assistant Secretary as well as Assistant Treasurer.

PRESIDENT'S REMARKS

1972 was another gratifying year for Interprovincial. Due largely to increased shipments to the United States—which for the first time exceeded deliveries in Canada—throughput reached a new high of 1,115,000 barrels per day—and earnings a record $1.57 per share.

As indicated in the Annual Report, the major expansion program undertaken during the year—was also completed reasonably on schedule—well within the original cost estimate. Valuable experience in laying 48-inch pipe has been gained—and the capacity of the pipe line system out of Cromer, Manitoba is now roughly 1,435,000 b/d.

In spite of export controls, which I will come to in a minute, this capacity will not be sufficient for 1974—and we are right back at it again. To keep pace with the additional facilities that are being installed by the producers in Western Canada—this year the capacity of the pipe line system is being increased by a further 120,000 b/d ex Cromer. This is the maximum increase practicable short of commencing looping out of Superior—and will be accomplished by fully powering the present two-line system out of Superior—and adding looping and horsepower in the other portions of the system as required to match the increase out of Superior.

The additional facilities in Canada are subject to the approval of the National Energy Board. Our application to the Board was filed on November 27, 1972—the hearing was held in Ottawa on March 13 and 14—and we are hopeful that a favourable decision will be forthcoming early in May.

In the meantime, virtually all the necessary equipment and materials, including the 48-inch pipe, have been ordered—and work has actually started on the Lakehead looping. Our Vice-President & General Manager, Mr. R. K. Heule, will be briefing you on both the 1972 and 1973 construction programs in a few minutes.

Before asking him to do this, however, I would like to comment on the export controls that were imposed by the Canadian Government in February, through the National Energy Board, effective March 1, 1973. These controls were imposed because, with the current shortage of petroleum products in the United States, the United States companies that own production in Canada were drawing heavily on their own production—and on their U.S. import allocations—and there was concern that certain Canadian refineries might not be able to purchase all the crude they required.

Exports through our pipe line system alone, had jumped from a little over 600,000 barrels per day in October and November 1972—to 714,000 b/d in December—and 800,000 b/d in January 1973—just short of what we had anticipated exports would be one year later—in the first quarter of 1974. Moreover, nominations for February and March were even higher.

This was not only taxing the capacity of our pipe line system, but also the capacity of the producing facilities. Consequently, while we in Interprovincial were sorry to see export controls imposed, we understand why they were imposed—and have no quarrel with the decision.

With the last of the pumping units being added in 1972 ready for operation by March 1, we thought we could handle the additional 20,000 to 30,000

b/d of oil that could have been produced in Alberta in March. And it turned out that we could have! But being one year ahead of ourselves and having no reserve—we would have been hard pressed to challenge the judgement factor that was applied by the National Energy Board in limiting exports through our system to 825,000 b/d. This was still significantly higher than the 566,000 b/d delivered in the United States in March 1972.

Likewise, it is difficult to fault the Government's decision to have the National Energy Board look into the export situation over the long term. This will be done by means of a series of public hearings later in the year. Where all the energy that the people of this continent are demanding is to come from is a very serious matter—and there is a great deal of confusion—and misunderstanding in this country as to whether our natural resources should be produced as the market dictates—or "banked" for future generations—with all the potential economic disruption that that involves. Consequently, as painful as the process might be, a series of public hearings—and a subsequent finding—by a competent Board, such as the National Energy Board, regarding oil is probably the best way of coming to a politically acceptable conclusion. We are certainly prepared to co-operate—and I use the word "political" in its best sense.

As to what the National Energy Board's findings might be, I am confident that, based on the now known conventional reserves in Western Canada alone, a substantially higher level of production—and therefore exports—than are now being allowed at present, will be found appropriate.

I also think that, aided by higher wellhead prices, the chances are good that considerably more oil

will be found in Western Canada in the usual places—both in the form of new discoveries and from secondary recovery methods, some of which are very expensive. Some authorities estimate that upwards to half the conventional crude oil in place in the Western Canadian sedimentary basin has yet to be discovered. It might be remarkable what the incentive of a comparatively few extra cents per barrel might unlock. One possible source is the vast heavy oil deposits near Cold Lake, Alberta, which are yet untouched.

It also seems likely that as more natural gas is produced—more natural gas liquids will be produced.

Then there are the Athabasca Oil Sands—one of the largest known deposits of hydrocarbons in the world. The Great Canadian Oil Sands plant at Fort MacMurray has been operating very satisfactorily for the past year and is currently awaiting approval from the Alberta authorities to increase production to 65,000 b/d from 45,000 b/d.

A final decision on the proposed Syncrude plant has not been announced as yet—but there is considerable evidence that the 125,000 b/d plant will be constructed—to be in operation some time in 1977. Once the Syncrude plant is constructed, many people, including the National Energy Board, think that comparable sized plants will follow every second year.

Based on surface mining only, as used by Great Canadian and proposed by Syncrude, the recoverable reserves in the Athabasca Oil Sands are estimated at 50 billion barrels. If there is a breakthrough in the so-called "in situ" process, however—and being an optimist I choose to think there will be—the recoverable reserves jump to 300

billion barrels. This would keep us in business for quite a few years! An "in situ" process would be any means of producing the oil—or bitumen—without having to remove the overburden—or mine the sands. Steam injection and fire flooding are the two most commonly discussed methods.

In addition to all this, of course, there is the vast potential of the Northwest Territories and the Arctic. In spite of the problems that Trans Alaska (Alyeska) is having, I do not think there is much chance of the proposed line across Alaska being abandoned—and the producers on the North Slope of Alaska switching their support to a line through Canada. I do think, however, that the chances are good that sufficient oil will be found in the Mackenzie Delta—and the Beaufort Sea—to justify a line out of the Delta to Edmonton, possibly to be in operation by 1979. Such a line would be 1,400 miles in length and would cost considerably less than the $3.4 billion estimated for a 48-inch line from Prudhoe Bay to Edmonton.

Another potential source of throughput—and consequently revenue—that we are actively investigating is the transportation of coal from Alberta for the various power companies along our route, principally Ontario Hydro. The method that holds the most promise is pulverizing the coal and injecting it into one of our light crude streams for delivery to a refinery in the east. The refinery would then remove at least the top 75% of the barrel—and deliver the coal, mixed with the remaining heavy fractions of the oil, to the power company for direct burning in their thermal generating plants.

Another method would be adding the coal to a "topped" crude—or a specification product from

one of the oil sands plants—and delivering the mix directly to the power companies.

Alberta has an abundance of low sulphur coal, and while at this point the project is still very much in the research stage, it does look promising. And the potential quantities are substantial!

Present indications are that up to 35% coal could be mixed with the oil and the resulting mixture would be no more viscuous than some of the heavier crude oils we are now transporting. Further, that the quality of the coal could be upgraded—that is, more B.T.U.'s packed into the same volume—if the coal is dehydrated and some of the ash is removed, after it is pulverized. All this may prove to be costly, but with the growing demand for energy, coupled with rising costs and the likelihood of more selective uses of such fuels as natural gas being required, there appears to be a good possibility that the movement will prove feasible. We should at least be able to improve on the economics of a "grass roots" slurry line using water as the carrier.

Such a movement would require a substantial additional investment on Interprovincial's part—likely in the form of accelerating our 48-inch looping program—depending on timing. But we do not see this as a deterent. Believing that a company is best sticking to the business it knows, we would just as soon someone else took on the upstream operations, such as pulverizing and dehydrating the coal—but if necessary we are prepared to at least consider getting into this end of the business as well.

Along more conventional lines, at the request of certain shippers, we are also studying the possibility of transporting refined products as far as Superior,

for loading aboard tankers for re-entry into Canada. It is also possible, of course, that some of the refined products will be marketed in the United States. This will require an $8 to $10 million additional investment on our part, largely for specialized tankage at Superior. But at least three oil companies are interested, and consequently the project holds considerable promise. As some back-out of crude would be involved, the refined products would not necessarily all be additional business. It would be a more specialized business, however, requiring additional facilities for which we would expect to be compensated.

We are also scheduled to commence receiving Michigan crude at two different locations in Michigan shortly and work is continuing on the possibility of moving specification propane and butane as far as Superior.

If you have concluded from what I have said that I am not at all pessimistic about Interprovincial's future—you would be right. It could be that our throughput will level off some time in the 1970's—for a year or two—but I do not think it will be for long—and I do not think it would be necessarily bad. We have been expanding at a very rapid rate during the last few years and our operating people at least would welcome a bit of a respite. Modest expansion programs for a year or two would also have a marked effect on our cash position—and future borrowing power—which would stand us in good stead for a major project, such as an oil pipe line out of the Mackenzie Delta—or even from Prudhoe Bay—in which we would undoubtedly wish to participate.

The respite is not in the cards for 1973, however, as you will hear from Mr. Heule.

VICE-PRESIDENT AND GENERAL MANAGER'S REMARKS

Your Annual Report reviews briefly the highlights of the 1972 construction program which increased system capacity by 127,000 b/d to 1,435,000 b/d out of Cromer, Manitoba. Capital expenditures for 1972 totalled $66 million.

The major outlay involved the installation of 126 miles of 48-inch loops between Edmonton and Superior and 18 miles of 20-inch loop in Ontario. Pumping units added throughout the system totalled 125,000 horsepower and eight new storage tanks were constructed.

I would like to comment briefly on the 1972 looping program which was certainly the most prominent feature of the year's construction. The decision to expand the system by initiating looping with 48-inch pipe was far-reaching and will provide a great deal of flexibility in planning future expansion. Since this was the first installation of 48-inch pipe, the largest diameter pipe ever used on a major cross-country pipe line in the Western Hemisphere, its construction presented unknown challenges and certainly created considerable interest in the pipe line industry.

Laying this pipe, four feet in diameter, required larger and heavier equipment than had been used heretofore in cross-country pipe lining. Some equipment, such as the bending machine, was especially designed for 48-inch pipe; larger pipe wrapping machines, over-sized ditchers and heavier sideboom tractors were chiefly modifications of standard pipe line equipment. For the most part the construction methods employed were much the same as those followed for smaller big-inch pipe lines.

The looping program consisted of 22 loops of relatively short lengths—3 to 11 miles—spread over a distance of 1,000 pipe line miles between Edmonton and Superior. Two pipe-laying contractors were used, one in Canada and one in the United States. With 40-mile moves between each of the many short loops, the entire operation became a major problem in logistics, particularly in moving heavy equipment. The bending machine alone weighed over 55 tons and the larger side-boom tractors required dismantling in order to move between loops. Supervision also became a difficult coordination job with such widespread operations.

All told, the entire 1972 48-inch looping program was completed on schedule and well within the budget. Although conditions on the Prairies are certainly different from the far north, the experience gained with over-sized equipment and the techniques employed will be of benefit to the industry in planning for future Arctic pipe line construction.

Completing 22 loops and 28 new pumping units did provide some operational problems in bringing all this new equipment into service. Although the loops were completed and tested in late fall, the last of the new pumping units was not ready until February. Accelerated throughput demands since the first of the year have required the system to operate at virtually 100% of capacity. All of the new pumping units are highly automated and remotely controlled. The company's operating personnel, using specially trained commissioning crews, were able to resolve most of the "teething" problems in minimum time. The system achieved its design capacity early in March.

For 1973 our construction program is designed to increase the capacity of the pipe line system out of Cromer by 120,000 b/d to 1,555,000 b/d. As Mr. Waldon has indicated, this increase is the maximum practicable short of commencing looping out of Superior and will result in fully powering the existing two lines downstream from Superior. The system will be balanced between Edmonton and Superior by providing additional looping and horsepower in order to match this 120,000 b/d capacity increase. Looping will also be done between Sarnia and Buffalo. Capital expenditures will total $106 million.

Again the major expenditure will be for additional looping. This year construction of 203 miles of 48-inch pipe is planned in the form of 28 loops between Edmonton and Superior.

Pumping unit additions will total 124,000 horsepower in 43 units ranging from 1,000 to 5,000 horsepower. This will include 62,000 horsepower between Edmonton and Superior, 60,000 horsepower between Superior and Sarnia and 2,000 horsepower between Westover and Buffalo.

In Ontario with installation of 28 miles of loop, the second 20-inch line will be completed between Sarnia and Oakville. Four miles of 20-inch loop also will be installed across Grand Island on the Buffalo line.

Seven new tanks will be built, including three with capacities of 390,000 barrels, the largest employed on the system.

The 48-inch pipe is currently being manufactured. Canadian pipe mills are supplying all of the 142 miles required for Canada, as well as 23 miles for Minnesota. The balance of Lakehead's require-

ments (36 miles) is being supplied by an Italian mill.

In view of the success with ten miles of winter construction in 1972, 25 miles of 48-inch loop have just been installed this winter in the muskeg swamp sections of Minnesota. This allowed heavily laden equipment to travel over frozen swamps, thereby minimizing the difficult problems normally encountered with summer construction in these areas. Preparations now are well underway to construct the balance of the looping this summer. The program will be similar to last year with multiple loops varying from 3 to 13 miles in length.

With the movement of additional refined products scheduled to commence in 1974 as far as Gretna, Line 1 will be adapted for this service east of Regina. Stations will be modified, additional block valves installed in the main line and the line diverted in two locations to upgrade and improve the overall safety standards of Line 1 between Edmonton and Superior.

Of interest, arrangements are currently being completed to receive Michigan crude into the system at two new receiving points—Lewiston and Stockbridge. It is expected that crude receipts will commence from these locations in the near future.

Four new maintenance crews have been established this year, each fully equipped with all necessary emergency repair equipment, including oil booms for water containment of oil, in order to be in a position to respond more quickly in the event of oil spills. As a continuation of our environmental program, four additional tanks are being converted from cone to floating roofs which prevent excess vapour loss into the atmosphere.

1973 will be another very busy construction year. We expect over 50 contractors will be engaged, involving an estimated 1,500 jobs in construction (900 in Canada and 600 in the U.S.) and many more in the manufacturing and support services. With early approval of the National Energy Board with respect to the facilities proposed in Canada, we anticipate that the entire construction program should be completed by the end of the year.

As stated in the Annual Report, and as you have just heard, the 1973 expansion program is estimated to cost \$106 million. This will require outside financing—and to this end a \$20 million bank loan has been arranged for Lakehead—and Interprovincial has sold \$50 million principal amount 8⅛% 20-year Sinking Fund Debentures at par, for settlement on May 1, 1973.

Returning to current operations, I am pleased to report that deliveries in the first quarter of 1973 averaged 1,435,000 b/d as compared to 1,116,000 b/d in the corresponding quarter in 1972. The big increase, of course, was in deliveries in the United States, which averaged 829,000 b/d. But deliveries in Canada at 606,000 b/d were also higher than in 1972.

I would caution, that deliveries in the first quarter of the year are traditionally higher than in the second quarter. The difference might not be as marked this year, however, as there is no sign of any let up in the demand in the United States and true to their word, because Canadian requirements in April, at 523,000 b/d, are less than they were in March, exports through our system in April have been authorized by the National Energy Board at 881,000 b/d.

For the month of May, we have just been informed licensed exports have been reduced to 756,000 b/d due to a higher demand in Canada—namely 568,000 b/d—and an estimated 90,000 b/d temporary reduction in production. It is our understanding that the reduced production is due to regularly scheduled maintenance in certain oil field facilities, largely gas plants, and at the Great Canadian Oil Sands plant.

On the not so good news side, word has recently been received that Lakehead has lost the first round in the long outstanding Michigan Franchise Tax case. The adverse decision in the lower court was not unexpected and preparations are now being made to appeal the case to the Supreme Court of Michigan. Details of this matter are set forth in Note 5 to the Financial Statements included in the Annual Report.

The next dividend is due June 1. Just prior to this meeting your Board declared a second quarterly dividend of 25¢ per share payable June 1 to shareholders of record on April 26, 1973. This is the same rate as was paid the last two quarters.

This completes my prepared remarks. We will now be pleased to answer any questions.

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Interprovincial Pipe Line Company

NEWS RELEASE

Dil

January 31, 1973

INTERPROVINCIAL PIPE LINE COMPANY announced today that consolidated net income (unaudited) for 1972 amounted to $40.1 million equivalent to $1.57 per share. In 1971 the company earned $35.6 million or $1.40 per share.

Deliveries of crude oil, refined products, and natural gas liquids during the year averaged 1,115,500 barrels per day, 14% more than the 977,350 b/d averaged in 1971.

Capital expenditures totalled $66 million as compared to $44.7 million in 1971. A further $4 million will be expended in 1973 to complete 1972 projects.

The cost of the 1973 expansion program is now estimated at $104 million. This is $12 million less than the original estimate, and is due largely to finding means of reducing the looping required in the State of Minnesota by 22 miles while still accomplishing the same increase in capacity namely, 120,000 barrels per day. A total of 203 miles of 48-inch loops will be constructed between Edmonton and Superior, Wisconsin in 1973. The facilities that will be added in Canada are subject to the approval of the National Energy Board.

A quarterly dividend of 25¢ per share was declared today payable March 1, 1973 to shareholders of record on February 12.

Income - $165.9m ($147.3m)

D. G. Waldon
President

Interprovincial Pipe Line Company
Room 901, 7 King Street East
Toronto, Ontario M5C 1A2

Blight

Interprovincial Pipe Line Limited

Annual Report 1973

Interprovincial Pipe Line Limited
Annual Report 1973

(Incorporated by Special Act of the Parliament of Canada, April 30, 1949 and continued by Letters Patent August 1, 1973)

Directors

LORENZ P. BLASER
Senior Vice-President, Gulf Oil Canada Limited, Toronto

JOHN F. BOOKOUT
President & Director, Shell Canada Limited, Toronto

JERRY A. COGAN
Senior Vice-President & Director, Imperial Oil Limited, Toronto

JOHN H. HAMLIN
Senior Vice-President & Director, Imperial Oil Limited, Toronto

A. HAZLETT LEMMON
Chairman of the Board, The Canada Life Assurance Company, Toronto

JAMES G. LIVINGSTONE
Senior Vice-President & Director, Imperial Oil Limited, Toronto

C. EDWARD MEDLAND
President & Director, Wood Gundy Limited, Toronto

RALPH D. PARKER
Retired, former consultant to
The International Nickel Company of Canada, Limited, Toronto

W. HAROLD REA
Chairman of the Board, Great Canadian Oil Sands Limited, Toronto

DAVID G. WALDON
President, Interprovincial Pipe Line Limited, Toronto

GORDON D. deS. WOTHERSPOON
Chairman of the Board, Eaton Financial Services Limited, Toronto

Officers

DAVID G. WALDON, President

JAMES G. LIVINGSTONE, Vice-President

ROBERT K. HEULE, Vice-President & General Manager

JOHN BLIGHT, Vice-President & Treasurer

E. GORDON SHEASBY, General Counsel & Secretary

FREDERICK B. NEWTON, Assistant Treasurer & Assistant Secretary

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Annual Meeting—2:30 p.m. April 10, 1974, Roof Garden, Royal York Hotel, 100 Front Street West, Toronto.

The Notice of Meeting, Information Circular and form of Proxy are being mailed with this report to all shareholders of record on March 20, 1974.

Highlights

Financial

	1973	1972	Percentage Increase
Transportation revenue -	$202,831,000	$164,207,000	23.5%
Other income - - - -	$ 2,461,000	$ 1,689,000	
Expenses, excluding taxes -	$ 96,058,000	$ 75,507,000	27.2%
Income and other taxes -	$ 61,449,000	$ 50,305,000	22.2%
Earnings - - - - -	$ 47,785,000	$ 40,084,000	19.2%
per share - - - -	$1.87	$1.57	
Dividends - - - - -	$ 28,127,000	$ 23,976,000	17.3%
per share - - - -	$1.10	$0.94	
Capital expenditures - -	$ 94,056,000	$ 66,022,000	

Statistical

	1973	1972	Percentage Increase
Deliveries (barrels per day)			
By Quarters			
First - - - - -	1,435,480	1,116,033	
Second - - - -	1,349,836	1,014,416	
Third - - - - -	1,344,704	1,104,344	
Fourth - - - -	1,380,603	1,226,166	
Yearly average - - -	1,377,415	1,115,513	23.5%
Highest month - - -	1,466,989	1,341,810	
Lowest month - - -	1,321,080	997,720	
Barrel miles (millions) -	707,037	573,456	23.3%
Number of employees—December 31 - - -	730	706	

Directors' Report to Shareholders

With the increased demand for petroleum products in Canada and virtually an unlimited market for crude oil in the United States, throughput reached a new high of 503 million barrels in 1973—equivalent to 1,377,415 barrels per day—and earnings a record $1.87 per share.

A major expansion program was also undertaken and completed reasonably on schedule, within the budget. The principal project was the 204 miles of 48-inch looping between Edmonton, Alberta and Superior, Wisconsin which together with the horsepower added in this section, increased the capacity of the system ex Cromer, Manitoba by 120,000 barrels per day to 1,555,000 b/d.

Following the imposition of export controls on crude oil effective March 1, the National Energy Board continued to license for export all available production surplus to Canadian requirements. With the production of crude oil and natural gas liquids more or less constant throughout the year, as Canadian requirements increased, of necessity exports to the United States declined from the peak reached in April 1973. Through the Interprovincial/Lakehead system alone, after reaching a high of 873,000 b/d in April, deliveries of Canadian crude oil in the United States still averaged 751,137 b/d in 1973 as compared to 576,667 b/d in 1972.

D. G. Waldon, President, at Superior Tank Farm.

The production and reserve situation in Western Canada is of concern to your directors and management and as a consequence the upcoming hearing before the National Energy Board "in the matter of the exportation of oil" will be followed with a great deal of interest. There has not been a crude oil discovery of any significance in Western Canada for several years but exploratory drilling is still going on in the conventional areas, as well as in the Mackenzie River Delta and the Beaufort Sea. In addition, there remain the Atha-

390,000-barrel tank under construction at Edmonton Station.

basca Oil Sands and the vast deposits of heavy oil in Alberta to be developed.

A significant development in 1973 was the Prime Minister's announcement on September 4 that, as part of the government's efforts to check the rising cost of living, the oil industry was being asked to refrain temporarily from increasing prices, including the wellhead price of Western Canadian crude, and that discussions would be initiated on the extension of pipe line facilities to Montreal. Shortly after this, an export tax on Canadian crude was imposed by the Federal Government, initially to equate the price to that of other crude oil at Chicago. The tax started at 40¢ per barrel in October and is currently $6.40 per barrel.

On October 6 hostilities broke out in the Middle East which led to both a shortage of offshore oil in Quebec and the Atlantic Provinces and a marked escalation in price. This in turn led to sizeable shipments of Canadian crude from Sarnia and Toronto by tanker to Montreal and Quebec City so that by the time the St. Lawrence Seaway closed on December 20 some five million barrels of Western Canadian crude had been transported to these destinations in this manner—and oil was on its way from the Trans Mountain pipe line system at Vancouver via ocean-going tankers.

With the extension of our pipe line system from Sarnia to Montreal now stated government policy, an application to the National Energy Board is being prepared and work is underway on acquisition of right-of-way and pumping station design. The pipe has also been ordered by means of a three-party agreement involving the Canadian Commercial Corporation. The proposed extension will be approximately 520 miles in length and plans are to use 30-inch pipe which when fully powered will have a capacity of 690,000 b/d. Initially, however, only five pumping stations will be installed resulting in a capacity of 350,000 b/d. Throughput is expected to be 250,000 b/d which is roughly half of the present refinery capacity in Montreal. The initial cost is estimated at $140 million and it is hoped the line can be in operation by the end of 1975.

Depending on the extent shipments to Montreal represent new volumes to Interprovincial, additional capacity will also have to be added between Edmonton and Sarnia. This could cost up to $300 million over a period of years but a decision on the first step does not have to be made until late 1974. There is little doubt, however, that the capacity of the system between Chicago and Sarnia will have to be increased. Accordingly, as described under Construction, in anticipation of increased tanker movements to Montreal until the extension is in operation, the additional pumping units that will be required in this section are being ordered in 1974 so that they can be in operation by the spring of 1975.

Interprovincial continues as a participant in Mackenzie Valley Pipe Line Research Limited. However, with the construction of the oil pipe line across Alaska (Alyeska) virtually assured, the activities of this company have been reduced awaiting the results of the exploration and drilling now going on in the Canadian Arctic.

F. B. Newton, Assistant Treasurer, J. Blight, Vice President & Treasurer and E. G. Sheasby, General Counsel & Secretary in Toronto office.

Work on the possibility of transporting coal from Alberta in an oil slurry is continuing but the project is still very much in the research stage.

Financial Review

The consolidated Financial Statements and the Notes, appearing on pages 11 through 18, include the accounts of Interprovincial Pipe Line Limited and its subsidiaries, all of which are wholly owned. These are Lakehead Pipe Line Company, Inc., which owns and operates the portion of the pipe line system in the United States, and its subsidiary, Pipe Line Service Company, Inc. which owns Lakehead's aircraft and radio communication system.

Income and Expenses

Deliveries, throughput in terms of barrel miles, and transportation revenue were all up 23% over 1972. Transportation revenue for 1973 amounted to $202.8 million. Other income at

Welding 48-inch pipe in Minnesota, February, 1973.

O. T. Linton, Manager Special Projects, and D. L. Hay, Manager Administration, reviewing construction reports.

$2.5 million was higher than the previous year as a result of investing proceeds of a debenture issue, in the short term market, until the funds were required to meet construction expenditures.

Power and fuel costs of $30.7 million were 64% higher than in 1972 with most of the increase being additional energy required to transport the increased volumes and the balance due to increased energy costs. Other operating expenses increased $3.5 million to $22.5 million. The principal items responsible for the increase were salaries, wages and benefits which were higher by $1.2 million and maintenance expenses which rose from $3.3 million to $4.9 million.

Depreciation increased in 1973 as a result of the $66 million expansion program carried out in 1972. Interest expense increased to $21.5 million in 1973 from $19.0 million in the previous year, largely due to additional debentures being issued to finance the construction program and to increased interest rates on bank loans.

Earnings and Dividends

Earnings for the year were $47.8 million which is an increase of $7.7 million or 19% over 1972. Earnings per share were $1.87 as compared to $1.57 the previous year. Dividends totalled $28.1 million and represented 59% of earnings compared to $24.0 million and 60% in 1972. The quarterly dividend rate was increased from 25¢ to 30¢ per share effective with the August 31 dividend.

Financing

1973

To provide funds for the Canadian portion of the 1973 expansion program and to redeem at maturity the balance of its 4% Series C Bonds, Interprovincial, on May 1, 1973, sold $50 million 8⅛%, 20-year Sinking Fund Debentures, Series C, at par. Lakehead financed its expansion program by utilizing $16 million of a $20 million line of credit previously arranged with its bankers in the United States.

1974-75

The 1974 capital expenditures of $35 million, will be financed by internally generated funds.

The extension of the pipe line from Sarnia to Montreal and the required additional capacity between Chicago and Sarnia will be financed by substantial additional borrowings, possibly in early 1975, and by internally generated funds.

Operations

Receipts and deliveries of crude oil, natural gas liquids and petroleum products were 23% higher than in 1972 as follows:

Receipts— (thousands of barrels per day)	1973	1972
Alberta - - - -	1,135.0	877.5
Saskatchewan - -	217.4	217.8
Manitoba - - -	14.2	14.9
Ontario - - - -	4.2	3.2
United States - -	11.1	8.4
	1,381.9	1,121.8

Deliveries—by location (thousands of barrels per day)	1973	1972
Canada		
Western Canada -	147.0	115.9
Ontario - - -	467.9	414.3
	614.9	530.2
United States		
Minnesota-Wisconsin - -	195.5	175.5
Illinois-Indiana -	229.3	145.4
Michigan-Ohio -	201.0	143.0
New York-Pennsylvania -	136.7	121.4
	762.5	585.3
	1,377.4	1,115.5

Deliveries—by type (thousands of barrels per day)	1973	1972
CRUDE OIL—		
Conventional -	1,179.5	943.8
Oil sands - -	42.4	45.2
NATURAL GAS LIQUIDS—		
Condensate -	85.9	73.9
Propane/butane/condensate mix	43.4	32.1
REFINED PRODUCTS	26.2	20.5
	1,377.4	1,115.5

Construction

1973 Review

Capital expenditures for the year totalled $94 million. The installation of 204 miles of 48-inch pipe in the form of 28 loops between Edmonton and Superior was almost all placed in operation by year-end, despite the complications of a late start and severe early winter conditions in Western Canada. The installation of 28 miles of 20-inch pipe, to complete the second line between Sarnia and Oakville, Ontario, together with 4 miles of 20-inch pipe across Grand Island, New York, on the Westover to Buffalo line, was completed and placed in operation by year-end.

The installation of 43 electric pumping units (including two deferred from 1972), seven receiving and breakout tanks, and the safety improvements on the No. 1 line between Edmonton and Superior and the northern 30-inch line between Superior and Sarnia, to handle natural gas liquids, was not quite complete at year-end, due to the late start. A further

Crossing small creek with 48-inch pipe near Hardisty, Alberta.

$7 million will be expended in 1974 to complete these items. Three of the electric pumping units replace 4 existing 1,200 H.P. diesels installed in 1950 at Edmonton station.

1974 Forecast

The construction program for 1974, together with the amount required to complete 1973 projects, is expected to result in capital expenditures of $35 million.

The major item will be the construction of a refined products terminal at Superior, and the reactivation of the existing tanker loading facilities. Refined products are scheduled to be transported in Line 1 from Edmonton to Superior for loading aboard tankers, for re-entry into Canada, commencing with the opening of the 1975 navigation season. Some of the refined products are more viscous than the crude presently transported in Line 1 and, as a result, there will be a 10,000 b/d reduction in capacity.

The refined products and increased volumes of natural gas liquids are expected to exceed the capacity of Line 1 by mid-1975. To accommodate part of the NGL's in Line 2 (24-inch) as far as Superior, the capacity of Line 2 will be increased by 15,000 b/d over a two year period by incorporating into this line 330 miles of idle 34-inch pipe and adding 22,500 horsepower in the form of nine units at five locations, together with sectionalizing valves and other safety improvements, similar to the modifications previously made on Line 1.

Montreal Extension

The 520-mile, 30-inch extension of the system from Sarnia to Montreal, currently the subject of an application to the National Energy Board, is estimated to cost $140 million. Survey

W. M. Pearce, Assistant Manager, and C. H. Bucklee, Manager Engineering, examining outdoor power control unit at Edmonton Station.

Wrapping 48-inch pipe in Saskatchewan.


W. C. Cochrane and D. D. Burley, Lakehead Management, at refined products terminal site at Superior.

and right-of-way acquisition is now under way and it is hoped that the crossing of the Ottawa River and two crossings of branches of the St. Lawrence River in the Montreal area, together with some station construction, can commence in the fall of 1974. This could result in a further expenditure of $15 million in 1974. It is hoped that the extension will be in operation by the end of 1975.

To be in a position to deliver 250,000 b/d in Montreal and meet the anticipated growth in Ontario, the capacity of the 30-inch line from Chicago to Sarnia will have to be increased. This will be accomplished by a combination of horsepower and looping. In anticipation of the tanker movement from Ontario to Quebec continuing until the extension to Montreal is in operation, the horsepower portion is being proceeded with immediately—with the line looping following in 1975. Twenty-one electric pumping units, totalling 46,250 horsepower, at eight locations will be installed on the 30-inch line at an estimated cost of $5 million in 1974 (included in the $35 million) and a further $3 million in 1975. This will increase the capacity to 540,000 b/d.


D. C. Fleming, Manager of Operations, and R. K. Heule, Vice President & General Manager, inspecting station control panel, Edmonton.

Capacity

The annual average physical capacities of the various sections of the system that will be available for 1974 and 1975 operations are as follows:

Line Section	Thousands of Barrels per day 1974	1975
Edmonton-Regina - - -	1,513	1,548
Regina-Cromer - - - -	1,466	1,553
Cromer-Gretna - - - -	1,555	1,560
Gretna-Superior - - - -	1,555	1,560
Superior-Sarnia via Straits of Mackinac - -	545	570
Superior-Chicago - - - -	740	740
Chicago-Sarnia - - - -	375	540
Sarnia-Port Credit - - - -	390	470
Westover-Buffalo - - - -	151	157

The above capacities assume that all required horsepower is fully operational at all times. However, with 381 pumping units now in operation at 67 different locations, upsets are inevitable and sustainable capacity is slightly less than the above figures.

Tariffs

Interprovincial and Lakehead are engaged exclusively in the transportation of crude oil, natural gas liquids and refined petroleum products by pipe line at established tariffs. Tariffs remained unchanged during the year. Rates from the two main receiving points to the principal delivery points are now as follows:

	Rates for light crudes Cents per barrel From	
To	Edmonton	Cromer
Regina	18.7¢	— ¢
Gretna	27.8	10.3
Clearbrook	31.0	14.9
Superior	34.9	20.6
Detroit/Toledo	52.0 *	40.9 *
Chicago	44.0	32.6
Sarnia	47.0	35.9
Toronto area	50.0	38.9
Buffalo	52.0	40.9

* Joint rates with connecting carriers.

The rates for heavier crudes, natural gas liquids, and refined products are slightly higher.

General

Messrs. J. H. Hamlin, Senior Vice-President and Director, Imperial Oil Limited, A. H. Lemmon, Chairman of the Board, The Canada Life Assurance Company and C. E. Medland, President and Director, Wood Gundy Limited were elected directors at the annual meeting on April 11, 1973 to replace Messrs. J. W. Hamilton and W. P. Wilder, who did not stand for re-election, and the late R. H. Reid.

On August 1, the status of the company changed from that of a Special Act Company to a Letters Patent Company with slightly broader "objects" and our name changed to Interprovincial Pipe Line Limited.

The directors and management once again welcome this opportunity of complimenting all employees for the high level of performance maintained during the year.

On behalf of the Board of Directors

President

The Pipe Line Transportation System

(as at December 31, 1973)

	Canada	United States	Total
Miles of right-of-way	1,007	1,740	2,747
Miles of main line pipe	3,086	2,500	5,586
Number of pumping stations	29	38	67
Installed horsepower—diesel	37,920	96,335	134,255
—electric	485,350	344,250	829,600
Total	523,270	440,585	963,855
Line fill, in barrels, (provided by shippers)	11,534,000	11,591,000	23,125,000
Tankage capacity, in barrels	8,603,000	7,043,000	15,646,000
Separate streams transported			38

Consolidated Statement of Earnings

	Year ended December 31 1973	1972
Income:		
Transportation revenue	$202,831,000	$164,207,000
Other income	2,461,000	1,689,000
	205,292,000	165,896,000
Expenses: (Note 1)		
Operating—power and fuel	30,699,000	18,735,000
—other	22,459,000	18,961,000
Property and other taxes (Note 5)	8,415,000	9,612,000
Provision for depreciation	21,803,000	19,674,000
Interest on long term debt	21,481,000	19,010,000
Foreign exchange	(384,000)	(873,000)
	104,473,000	85,119,000
Earnings before income taxes	100,819,000	80,777,000
Provision for income taxes: (Note 1)		
Current	38,672,000	30,192,000
Deferred	13,063,000	9,613,000
Deferred investment tax credits	1,299,000	888,000
	53,034,000	40,693,000
Earnings for the year	$ 47,785,000	$ 40,084,000
Earnings per share (Note 1)	$1.87	$1.57

Consolidated Statement of Retained Earnings

	Year ended December 31 1973	1972
Balance at beginning of year	$103,598,000	$ 87,490,000
Earnings for the year	47,785,000	40,084,000
	151,383,000	127,574,000
Dividends paid—(per share: $1.10 - 1973; $0.94 - 1972)	28,127,000	23,976,000
Balance at end of year	$123,256,000	$103,598,000

Consolidated Balance Sheet

ASSETS

	December 31 1973	December 31 1972
Current Assets:		
Cash	$ 975,000	$ 654,000
Term deposits with Canadian chartered banks	2,959,000	6,099,000
Short term investments, at cost which is equivalent to market	13,784,000	6,401,000
Accounts receivable—		
Transportation charges	14,998,000	15,986,000
Other	837,000	744,000
Inventory of materials and supplies, at cost	3,063,000	2,780,000
Prepaid expenses	807,000	833,000
	37,423,000	33,497,000
Deferred Charges:		
Unamortized discount and expense on long term debt (Note 1)	3,899,000	3,342,000
Other	592,000	460,000
	4,491,000	3,802,000
Pipe Line Transportation System, at cost (Notes 1 and 2)	801,416,000	708,688,000
Less—Accumulated depreciation	223,070,000	202,330,000
	578,346,000	506,358,000
	$620,260,000	$543,657,000

LIABILITIES

	December 31 1973	December 31 1972
Current Liabilities:		
Accounts payable	$ 10,133,000	$ 7,713,000
Interest accrued	4,073,000	3,311,000
Income and other taxes	14,408,000	12,951,000
Current portion of long term debt	13,609,000	10,229,000
	42,223,000	34,204,000
Long Term Debt (Note 3)	315,874,000	282,142,000
Deferred Income Taxes (Note 1)	79,549,000	66,486,000
Deferred Investment Tax Credits (Note 1)	11,488,000	10,189,000
Shareholders' Equity:		
Capital stock (Note 4)—		
Authorized—$100,000,000 divided into 100,000,000 shares, par value $1 each		
Issued—1973—25,573,310 shares	25,573,000	
—1972—25,526,985 shares		25,527,000
Contributed surplus—premium on shares (Note 4)	22,297,000	21,511,000
Retained earnings (Note 1)	123,256,000	103,598,000
	171,126,000	150,636,000
	$620,260,000	$543,657,000

Approved on Behalf of the Board:

D. G. WALDON, *Director*

C. E. MEDLAND, *Director*

Consolidated Statement of Changes in Financial Position

	Year ended December 31 1973	1972
Working Capital Provided From:		
Earnings for the year	$ 47,785,000	$ 40,084,000
Add—Charges to earnings not affecting working capital:		
Depreciation	21,803,000	19,674,000
Deferred income taxes	13,063,000	9,613,000
Deferred investment tax credits	1,299,000	888,000
Other	280,000	251,000
Provided from operations	84,230,000	70,510,000
Long term debt:		
Debentures issued by—		
Interprovincial Pipe Line Limited	50,000,000	—
Lakehead Pipe Line Company, Inc.	—	29,522,000
Bank loan—Lakehead Pipe Line Company, Inc.	16,018,000	—
Capital stock issued	832,000	886,000
Sale of Redwater line	—	1,500,000
Other transactions	83,000	(229,000)
	151,163,000	102,189,000
Working Capital Expended For:		
Dividends	28,127,000	23,976,000
Additions to pipe line transportation system	94,056,000	66,022,000
Long term debt retired or included in current liabilities	32,286,000	11,659,000
Cost of issuing long term debt	787,000	421,000
	155,256,000	102,078,000
Change in Working Capital	(4,093,000)	111,000
Working Capital (deficit) at beginning of year	(707,000)	(818,000)
Working Capital (deficit) at end of year	$ (4,800,000)	$ (707,000)

Notes to Consolidated Financial Statements

1. Summary of Significant Accounting Policies:

Principles of Consolidation

The consolidated financial statements include the accounts of Interprovincial Pipe Line Limited and its wholly-owned subsidiaries. These are Interprovincial Pipe Line Patrol Company Limited in Canada and Lakehead Pipe Line Company, Inc., and its subsidiary, Pipe Line Service Company, Inc. in the United States.

Earnings of Lakehead are subject to a 15% U.S. withholding tax when paid as dividends to Interprovincial. It has not been considered necessary to provide for this tax on Lakehead's retained earnings of $46,567,000 U.S. at December 31, 1973 because they have been reinvested in that company.

Foreign Exchange

United States dollar amounts have been translated into Canadian dollars on the following bases:

Current assets and liabilities—at the rate of exchange December 31;

Other assets and liabilities—at historical rates of exchange except for accumulated depreciation which is translated on the basis of equivalent Canadian dollar cost of the related fixed assets;

Income and expenses—at monthly rates of exchange except provision for depreciation which is translated on the same basis as the related fixed assets.

Net gains arising from the foregoing methods are shown on the Consolidated Statement of Earnings as Foreign exchange.

Discount and Expense on Long Term Debt

The balance of unamortized discount and expense is being amortized on the straight-line method over the life of the debt with adjustments as debt is retired. The amortization charge amounted to $230,000 for 1973.

Pipe Line Transportation System and Depreciation

Expenditures for system expansion and major renewals and betterments are capitalized whereas maintenance and repair costs are charged to operating expenses as incurred.

The companies capitalize interest during the construction period on funds borrowed for additions to the pipe line transportation system. This amounted to $1,592,000 during 1973.

The companies provide for depreciation of fixed assets on the straight-line method, at annual rates which will amortize the cost of depreciable properties over their estimated service lives, after taking into account possible salvage values. The rate of depreciation on the pipe line transportation system averages approximately 3%.

When fixed assets are retired or otherwise disposed of, the cost and accumulated depreciation are cleared from the related accounts and any resultant profit or loss is credited or charged to accumulated depreciation, except for extraordinary disposals for which the profit or loss is included in earnings.

Deferred Income Taxes

Under Canadian and United States income tax regulations depreciation deducted for tax purposes may differ from the amount recorded in the accounts; also, during construction periods interest capitalized and, in the United States, sales taxes capitalized, may be claimed for tax purposes in the year incurred. The companies are using the maximum deductions permitted for tax purposes which result in deferment of taxes to future years when amounts deductible will be less than the depreciation recorded in the accounts.

Deferred Investment Tax Credits

The United States subsidiary companies are allowed credits against income taxes payable of a specified percentage of the cost of most depreciable assets acquired and placed into service. These credits have been deferred and are being taken into earnings over the life of the related assets.

Earnings Per Share

Earnings per share are computed on the weighted average number of shares outstanding during the year. There would be no material dilution of earnings per share if the share purchase warrants and stock options had been exercised during the year.

Pension Plans

The companies have pension plans which cover substantially all employees and accrued pension costs are funded. The principal amount of the unfunded liability for past service benefits was approximately $4,800,000 at December 31, 1972. This amount, together with interest, will be charged to earnings over a period of up to nineteen years. Total costs of the plans in 1973 amounted to $1,099,000 of which $412,000 was applicable to past service benefits. Pension fund assets exceed the actuarially computed value of the vested portion of the benefits.

2. Pipe Line Transportation System: Accumulated Depreciation:

The pipe line transportation system and accumulated depreciation by major classes are as follows:

	Investment, at cost	Accumulated depreciation	Net investment December 31	
	December 31, 1973		1973	1972
	(in thousands of dollars)			
Land	$ 2,274		$ 2,274	$ 2,174
Rights-of-way	12,795	$ 3,415	9,380	9,666
Pipe line	566,667	166,401	400,266	350,378
Pumping equipment, buildings and tanks	198,850	53,254	145,596	129,006
Construction in progress	20,830	—	20,830	15,134
	$801,416	$223,070	$578,346	$506,358

It is estimated that 1974 capital expenditures will amount to approximately $35,000,000 and will be financed by funds generated within the companies.

In addition, on January 16, 1974 the company announced that, subject to the approval of the National Energy Board, it proposed to construct a 520 mile, 30-inch pipe line from Sarnia, Ontario to Montreal, Quebec. It is planned to commence construction in the fall of 1974 with completion of the entire project by the end of 1975. Estimated cost of this extension is between $130,000,000 and $150,000,000 and will be financed by additional borrowings, details of which have not yet been determined, and by funds generated within the company.

3. Long Term Debt:

	Outstanding December 31 1973	1972
	(in thousands of dollars)	
Interprovincial Pipe Line Limited		
First Mortgage and Collateral Trust Bonds—		
Series C—4% due April 1, 1973		$ 11,944
D—3⅝% due April 1, 1974		5,932
E—5½% due April 1, 1985	$ 9,282	9,746
Sinking Fund Debentures (unsecured)—		
Series A—6% due November 1, 1986	28,000	29,400
B—9⅜% due December 1, 1990	60,000	60,000
C—8⅛% due May 1, 1993	50,000	—
Bank Loan (unsecured)—		
Repayable in 1976; interest at ¾% above prime rate, maximum charge 8½%	10,000	15,000
Lakehead Pipe Line Company, Inc.—		
Sinking Fund Debentures (guaranteed by Interprovincial)—		
Series A—6½% due August 1, 1992 ($30,000,000 U.S.)	32,298	32,298
B—7⅛% due April 15, 1993 ($75,000,000 U.S.)	80,754	80,754
C—7.60% due June 15, 1997 ($30,000,000 U.S.)	29,522	29,522
Bank Loans (guaranteed by Interprovincial)—		
Repayable in 1974; interest at ½% above prime rate	—	7,546
Repayable in 1975 ($16,000,000 U.S.); interest at 1% above prime rate	16,018	—
	$315,874	$282,142

The First Mortgage and Collateral Trust Bonds of Interprovincial are secured by charges on all its assets; no further Bonds may be issued.

Repayment of the bank loans may be accelerated at any time without penalty.

Principal repayments required on Long Term Debt for the years 1975 through 1978 are $22,120,000, $20,625,000, $12,699,000 and $12,699,000 respectively.

Long Term Debt payable in U.S. currency translated at historical rates of exchange amounts to $158,592,000. At the December 31, 1973 rate of exchange this debt would be $150,366,000.

4. Capital Stock:

Share purchase warrants were issued in 1966 with the Series A Sinking Fund Debentures. Each warrant entitles the holder to purchase one share of capital stock of the company for $17 on or before November 1, 1976. During 1973 warrants to purchase 27,350 shares were exercised for a total cash consideration of $465,000, leaving 818,075 share purchase warrants outstanding at December 31, 1973.

Under the Employee Incentive Stock Option Plan, 250,000 authorized shares of the capital stock have been reserved for issuance upon the exercise of stock options which may be granted to full-time employees at not less than 90% of market value of the shares on the day that an option is granted. Options may be granted for a term not exceeding ten years and are exercisable only after one year of employment from date of grant. During 1973 options for 18,975 shares were exercised for a total cash consideration of $367,000 and no options were granted. At December 31, 1973 options were outstanding as follows:

Exercisable on or before April 8, 1979 at $17 per share	28,600 shares
Exercisable on or before April 7, 1980 at $20.50 per share	40,000 shares
Exercisable on or before April 13, 1981 at $25.80 per share	48,925 shares
	117,525 shares

Outstanding options include 25,500 shares to officers, including the one director who is a full-time employee. At year end 52,500 shares were available for future grants.

Cash received from the exercising of share purchase warrants and stock options was credited to Capital stock to the extent of $1 par value for each share issued and the remainder of $786,000 was credited to Contributed surplus.

5. Property and Other Taxes:

In December 1973 settlement was reached with the State of Michigan as to the amount of franchise tax payable by Lakehead for the years 1957 through 1972. The settlement was $1,502,000 less than the amount provided to December 31, 1972. This saving was credited to Property and other taxes reducing the 1973 charge to earnings from $9,917,000 to $8,415,000. It is anticipated that the formula established in the settlement and applied to 1973 will apply to subsequent years.

6. Remuneration of Directors and Officers:

In 1973 aggregate remuneration of eleven directors, one of whom was not paid as a director, was $41,000. Aggregate remuneration of five officers, only four of whom were paid as officers, was $161,000. Two officers were also directors. None of the directors or officers received remuneration from any of the company's subsidiaries.

Corporate Information

EXECUTIVE OFFICE—7 King Street East, Toronto, Ontario M5C 1A2

HEAD OFFICE AND OPERATING HEADQUARTERS—
10015-103 Avenue, Edmonton, Alberta T5J 2J9

STOCK TRANSFER AGENTS

The Royal Trust Company—Toronto, Montreal, Halifax, Winnipeg, Regina, Edmonton, Vancouver

Chemical Bank, New York

(Change of address should be sent to the closest branch of the Transfer Agents)

STOCK REGISTRARS

Montreal Trust Company—Toronto, Montreal, Halifax, Winnipeg, Regina, Edmonton, Vancouver

Bank of Montreal Trust Company, New York

DIVIDEND DISBURSING AGENT

The Royal Trust Company—
P.O. Box 7500, Postal Station 'A', Toronto, Ontario M5W 1P9

Auditors' Report

To the Shareholders of
Interprovincial Pipe Line Limited:

We have examined the consolidated balance sheet of Interprovincial Pipe Line Limited and subsidiary companies as at December 31, 1973 and the consolidated statements of earnings, retained earnings and changes in financial position for the year then ended. Our examination was made in conformity with generally accepted auditing standards and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances.

In our opinion these consolidated financial statements present fairly the financial position of the companies as at December 31, 1973, the results of their operations and the changes in financial position for the year then ended, in accordance with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Edmonton, Alberta
February 7, 1974

PRICE WATERHOUSE & CO.
Chartered Accountants

Interprovincial Pipe Line Limited
and subsidiary companies

Ten Year Review

Financial (in thousands of dollars except per share amounts)

	1973
Income—Transportation revenue	$ 202,831
—Other income	$ 2,461
Expenses—Operating—power and fuel	$ 30,699
—other	$ 22,075
—Property and other taxes	$ 8,415
—Depreciation	$ 21,803
—Interest	$ 21,481
Income taxes	$ 53,034
Earnings	$ 47,785
per share, weighted average	$ 1.87
Dividends paid	$ 28,127
per share	$ 1.10
percentage of earnings	59%
Working capital (deficit)	$ (4,800)
Funds provided from operations	$ 84,230
Additions to pipe line system	$ 94,056
Investment in pipe line system (cost)	$ 801,416
Long term debt	$ 315,874

Statistical

	1973
Shares outstanding at year end (thousands)	25,573
Percentage of shares registered in Canada	94%
Shareholders at year end	19,621
Number of employees at year end	730
Investment in pipe line system, per employee	$1,098,000
Receipts (b/d)—Alberta	1,134,985
—Saskatchewan	217,423
—Manitoba	14,216
—Ontario	4,134
—United States	11,123
	1,381,881
Deliveries (b/d)	
Canada—Western Canada	147,033
—Ontario	467,893
	614,926
United States—Minnesota-Wisconsin	195,467
—Illinois-Indiana	229,302
—Michigan-Ohio	200,978
—New York-Pennsylvania	136,742
	762,489
	1,377,415
Barrel miles (millions)	707,037
Average mileage per barrel delivered	1,406
Average transportation revenue—per barrel	40.3¢
—per 100 barrel miles	2.87¢

1972	1971	1970	1969	1968	1967	1966	1965	1964
164,207	144,393	133,707	114,465	105,532	92,893	87,787	79,718	74,668
1,689	2,871	1,643	994	1,049	1,548	1,219	574	315
18,735	13,213	11,186	11,053	12,514	9,432	7,930	6,371	5,512
18,088	17,176	16,164	14,841	13,282	13,271	11,757	9,892	9,034
9,612	8,814	9,643	8,338	5,789	4,636	4,292	4,098	4,241
19,674	18,115	17,519	16,070	13,677	12,683	12,346	10,431	10,174
19,010	18,890	18,810	13,898	8,608	5,697	4,274	4,006	4,037
40,693	35,416	32,531	26,833	29,377	26,197	25,884	25,157	22,783
40,084	35,640	29,497	24,426	23,334	22,525	22,523	20,337	19,202
1.57	1.40	1.16	0.96	0.92	0.89	0.89	0.80	0.75
23,976	21,892	20,352	18,316	18,316	18,315	18,314	17,551	16,787
0.94	0.86	0.80	0.72	0.72	0.72	0.72	0.69	0.66
60%	61%	69%	75%	78%	81%	81%	86%	87%
(707)	(818)	31,848	(10,490)	(14,122)	(10,277)	24,409	(12,177)	(18,572)
70,510	61,719	52,825	49,137	45,864	39,053	35,286	32,648	30,989
66,022	44,783	17,795	70,595	114,189	76,721	4,513	11,172	7,661
708,688	646,172	602,312	587,340	518,799	405,657	334,507	330,676	320,023
282,142	264,279	292,829	265,184	223,470	141,191	119,087	93,663	90,992
25,527	25,476	25,443	25,439	25,439	25,439	25,436	25,436	25,436
94%	93%	93%	92%	91%	90%	89%	88%	88%
18,864	19,576	21,066	21,996	21,486	18,321	16,290	15,521	14,127
706	677	641	603	562	621	599	589	592
1,004,000	954,000	940,000	974,000	923,000	653,000	558,000	561,000	541,000
877,474	743,411	659,382	542,093	475,437	386,331	340,263	313,923	271,366
217,768	217,034	224,890	225,755	236,613	239,466	245,435	228,777	216,250
14,931	15,575	16,452	17,489	17,524	15,863	14,812	14,110	12,608
3,196	2,751	817	550	205	—	—	—	—
8,440	3,228	2,579	—	—	3,502	6,836	4,903	4,487
1,121,809	981,999	904,120	785,887	729,779	645,162	607,346	561,713	504,711
115,939	116,163	116,386	111,504	106,832	107,050	106,817	106,118	90,313
414,305	390,798	380,570	351,270	338,624	317,969	320,145	308,226	285,556
530,244	506,961	496,956	462,774	445,456	425,019	426,962	414,344	375,869
175,534	159,142	142,686	135,451	116,196	97,371	94,054	85,318	75,990
145,397	89,309	49,836	—	—	—	—	—	—
142,973	120,098	121,822	105,540	96,847	60,344	44,159	31,862	30,596
121,365	101,840	89,619	72,206	58,228	54,556	39,769	26,521	21,512
585,269	470,389	403,963	313,197	271,271	212,271	177,982	143,701	128,098
1,115,513	977,350	900,919	775,971	716,727	637,290	604,944	558,045	503,967
573,456	488,862	444,318	366,287	337,978	289,691	267,354	241,264	221,691
1,405	1,370	1,351	1,293	1,288	1,245	1,211	1,184	1,202
40.2¢	40.5¢	40.7¢	40.4¢	40.2¢	39.9¢	39.8¢	39.1¢	40.5¢
2.86¢	2.95¢	3.01¢	3.13¢	3.12¢	3.21¢	3.28¢	3.30¢	3.37¢

1973
$ 202,831
$ 2,461
$ 30,699
$ 22,075
$ 8,415
$ 21,803
$ 21,481
$ 53,034
$ 47,785
$ 1.87
$ 28,127
$ 1.10
59%
$ (4,800)
$ 84,230
$ 94,056
$ 801,416
$ 315,874
25,573
94%
19,621
730
$1,098,000
1,134,985
217,423
14,216
4,134
11,123
1,381,881
147,033
467,893
614,926
195,467
229,302
200,978
136,742
762,489
1,377,415
707,037
1,406
40.3¢
2.87¢

INTERPROVINCIAL PIPE LINE LIMITED and its United States Subsidiary

LAKEHEAD PIPE LINE COMPANY, INC.

LEGEND

SIZE IN INCHES	12	16	18	20	24	26	30	34	48	
LENGTH IN MILES	92	397	363	809	772	326	933	1,564	330	TOTAL 5,586
PROPOSED MONTREAL EXTENSION							520			520

● PUMPING STATIONS ← DELIVERY LOCATION → RECEIVING LOCATION


ONTARIO
QUEBEC
ASHLAND
MONTREAL
LEWISTON
WEST BRANCH
TORONTO
STERLING
BAY CITY
PORT CREDIT
WISCONSIN
NEW YORK
MICHIGAN
SARNIA
BUFFALO
MARYSVILLE
STOCKBRIDGE
Kiantone P/L
KALAMAZOO
DETROIT
WARREN
Buckeye P/L
CHICAGO
TOLEDO
GRIFFITH
Tecumseh P/L
CYGNET
PENNSYLVANIA
ILLINOIS
INDIANA
OHIO

PRINTED IN CANADA

File

INTERPROVINCIAL PIPE LINE COMPANY

LAKEHEAD PIPE LINE COMPANY, INC.

GENERAL INFORMATION BOOKLET

This information booklet is intended for your library files to provide accurate background information on the Interprovincial-Lakehead crude oil pipeline system when you require it.

The attached copy replaces one that was issued last spring, which we suggest you discard. New construction and growth have changed many of the figures.

Please note the map at the back of the booklet, showing the exact route of the pipe line, location of pumping stations and additional information in table form.

Should you require further information please write or telephone.

Eric Young
Public Relations Advisor
Interprovincial Pipe Line Company
P.O. Box 398
Edmonton Alberta
(Phone 422-5131 Ext. 335)
Area Code 403

April 1, 1973

INTERPROVINCIAL PIPE LINE COMPANY

Interprovincial Pipe Line Company and its wholly owned subsidiary, Lakehead Pipe Line Company, Inc., own and operate the largest crude oil pipe line system in the Western Hemisphere -- a 1,900 mile line stretching from Edmonton, Alberta to Port Credit Ontario, just west of Toronto.

The system consists of three parallel lines from Edmonton to Superior; two lines from Superior to Sarnia, Ontario -- one via the Straits of Mackinac and one via Chicago; and one line with 111 miles of loop from Sarnia to Port Credit, Ontario with a branch line with 64 miles of loop to Buffalo, New York.

The Company operates as a common carrier and is engaged in the transportation of crude oil and other liquid hydrocarbons at established tariffs.

HISTORY

Interprovincial Pipe Line Company was incorporated by a special act of the Parliament of Canada in 1949. Lakehead Pipe Line Company, Inc., was incorporated in the United States in the same year.

In 1950, the Company constructed a large diameter pipe line from Edmonton to Superior. This line, with an extension to Redwater, was 1,128 miles long and was in operation by December, 1950.

Additional construction of loop lines, extensions of the main line, station tankage or other facilities has taken place each year since 1950.

SYSTEM HIGHLIGHTS

1950 -- Original line from Edmonton to Superior, plus a leg from Redwater to Edmonton completed in a record 150 days. Total length 1,128 miles.

1953 -- Line extended from Superior to Sarnia, via Straits of Mackinac, with 30-inch pipe. In addition, 134 miles of 24-inch pipe completed between Regina and Gretna.

1957 -- System extended from Sarnia to Port Credit, near Toronto, involving construction of 156 miles of 20-inch pipe. In addition looping completed between Regina and Superior, giving the system a complete second line on this section.

1958 -- Second line completed between Edmonton and Regina with addition of 82 more miles of 24-inch pipe. This completed the second line between Edmonton and Superior.

1962 -- First of 34-inch pipe added between Clearbrook and Deer River, in Minnesota, with 39 miles of line looping.

1963 -- Lateral 12-inch, 92-mile line to Buffalo completed in late spring. The 34-inch looping program continued, with 166 miles of pipe added -- 41 miles in Manitoba and 125 miles in Minnesota.

1966 -- Work begun on a $4,700,000 modernization program, to include electrification of pumping stations in Manitoba and remote control of the system between Edmonton and Superior. Line-looping on this section continued.

1968 -- A 466-mile extension to the Chicago area constructed with 34-inch pipe as the first leg of a loop around Lake Michigan from Superior to Sarnia. 34-inch line-looping continued.

1969 -- Two major pipe laying projects completed: Chicago loop completed with addition of a 293-mile, 30-inch extension from Griffith, Indiana to Sarnia, Ontario. The 34-inch line completed between Edmonton and Superior giving the company three complete lines between these points.

1970 -- Twenty miles of 20-inch loops built between Sarnia and Port Credit, giving Interprovincial a total of 76 miles of second line between these two points. Station horsepower increased by 59,025 h.p. (net) with the addition of two new pumping stations at Sheldon and Walworth, Wisconsin and the addition of 26 new units at 22 existing stations. One other unit moved from Vanderbilt, Michigan to Viking, Minnesota. Tankage increased with erection of two 290,000-barrel tanks at Edmonton and one 217,000-barrel tank at Griffith.

1971 -- Thirty-five miles of 20-inch loops between Sarnia and Port Credit, providing a total of 111 miles of second line between these points. Forty-six miles of 20-inch loops added on lateral line from Westover, Ontario to Buffalo, N.Y. Station horsepower increased by 234,750 h.p. (net) with the addition of 18 new pumping stations and 31 new units at 28 existing pumping stations. Tankage increased with the erection of two 290,000-barrel tanks at Edmonton terminal, two 217,000-barrel tanks at Superior, two 217,000-barrel tanks at Griffith and two 150,000-barrel tanks at Sarnia.

1972 -- A total of 126 miles of 48-inch loops between Edmonton and Superior. Eighteen miles of 20-inch loops added on lateral line between Westover, Ontario and Buffalo, N.Y. Station horsepower increased by 125,000 h.p. with the addition of one new pumping station at Howell, Michigan and the addition of 26 new pumping units at 23 existing stations. Tankage increased with the erection of two 390,000-barrel tanks at Edmonton, two 80,000-barrel tanks at Clearbrook, two 390,000-barrel tanks at Superior and two 217,000-barrel tanks at Griffith. In February, 1972, the line from Redwater to Edmonton and facilities at Redwater were sold to Imperial Pipe Line Company.

RESUME OF PLANNED CONSTRUCTION FOR 1973 (Total cost estimate $106,000,000)

Main Line Additions -- A total of 203 miles of 48-inch loops to be constructed on the existing 34-inch line between Edmonton and Superior.

Thirty-two miles of 20-inch loops to be added between Sarnia and Toronto/Buffalo, including 28 miles between Sarnia and Port Credit in Ontario and four miles on Grand Island, near Buffalo, New York.

Station Horsepower -- Single 5,000 h.p. electric units to be added at Metiskow, Alberta; Milden, Saskatchewan; Cromer, Souris and St. Leon, Manitoba; Viking and Clearbrook, Minnesota. Two 5,000 h.p. electric units being added at Craik, Saskatchewan and three 5,000 h.p. units to be added at Superior, Wisconsin.

Two 2,500 h.p. electric units being added at Minong, Edgewater, Owen, Rio and Walworth in Wisconsin and at Dundee, Illinois. Single 2,500 h.p. electric units to be added at Adams and Cambridge, Wisconsin; Lockport, Illinois and Iron River, Rapid River and Indian River, Michigan.

Two 2,000 h.p. electric units to be added at Edmonton and one 2,000 h.p. unit to be added at Smithville, Ontario.

Single 1,500 h.p. electric units to be added at Odessa and Langbank, Saskatchewan; Cromer and Souris, Manitoba. Two 1,500 h.p. units to be added at Manitou, Manitoba.

Single 1,000 h.p. units being added at Edmonton, Alberta; Odessa and Glenavon, Saskatchewan and Souris, Manitoba.

Tankage -- One 390,000-barrel and two 200,000-barrel tanks to be built at Edmonton, one 120,000-barrel tank at Cromer, two 390,000-barrel tanks at Griffith, Indiana and one 150,000-barrel tank at Sarnia.

SYSTEM HIGHLIGHTS (1972 Construction Included)

Mileage

1098	Line 1 - Edmonton to Superior (16"-18"-20")
1098	Line 2 - Edmonton to Superior (24"-26")
1098	Line 3 - Edmonton to Superior (34")
126	Loop between Edmonton and Superior (48")
644	North Line (Straits of Mackinac) Superior to Sarnia (30")
759	South Line (via Chicago) Superior to Sarnia (30"-34")
156	Sarnia to Port Credit (20")
92	Westover to Buffalo (12")
100	Loop between Regina and Gretna (16")
111	Loop between Sarnia and Port Credit (20")
64	Loop between Westover and Buffalo (20")
4	Second Line - Straits of Mackinac crossing (20")
5350	

Line Fill

It takes approximately 20,736,000 barrels of oil to fill the 5,350 miles of main line pipe.

Pumping Stations

There are 66 pumping stations located at Edmonton, Kingman, Strome, Hardisty, Metiskow, (Alberta); Cactus Lake, Kerrobert, Herschel, Milden, Loreburn, Craik, Bethune, Regina, Odessa, Glenavon, Langbank, (Saskatchewan); Cromer, Souris, Glenboro, St. Leon, Manitou, Gretna, (Manitoba); Donaldson, Viking, Plummer, Clearbrook, Deer River, Floodwood, (Minnesota); Superior, Minong, Edgewater, Sheldon, Owen, Vesper, Adams, Rio, Cambridge, Walworth, (Wisconsin); Dundee, Lockport, (Illinois); Griffith, (Indiana); Niles, Marshall, Howell, (Michigan); Ino, Saxon, (Wisconsin); Gogebic, Iron River, Rapid River, Manistique, Gould City, Mackinaw, Indian River, Lewiston, West Branch, Bay City, North Branch, (Michigan); Sarnia, Keyser, Bryanston, Wolverton, Westover, Smithville, (Ontario); Tonawanda, Williamsville, (New York). Total pumping horsepower, including 1972 additions is 844,655 for 1973 operations.

Tankage

The company has in operation a total of 106 working tanks at various locations along the line, (see map legend) holding a total of 13,928,000 barrels of oil. These tanks range in size from 14,000 to 390,000 barrels capacity and are used to facilitate movement of the batches.

Corporate Structure

The Interprovincial-Lakehead pipe line system is divided into three divisions and seven operating districts. Western Division extends from Edmonton, Alberta to Gretna, on the International border between Manitoba and North Dakota, and is comprised of two districts. Central Division which lies entirely in the United States and is incorporated there as Lakehead Pipe Line Company, Inc., is comprised of four districts. Eastern Division lies in Ontario and has one operating district. The district headquarters are at Edmonton, Alberta; Regina, Saskatchewan; Bemidji, Minnesota; Manistique, Michigan; Fort Atkinson, Wisconsin; Bay City, Michigan; and Sarnia, Ontario.

Employees

There were 706 employees at January 1, 1973 -- 293 with Lakehead Pipe Line Company, Inc. and 413 with Interprovincial Pipe Line Company.

Investments

As of December 31, 1972 the total investment in plant and equipment was $708,688,000. This is slightly more than one million dollars per employee.

Capacity

Upon completion of the 1972 construction program the annual average physical capacity of the various sections of the pipe line system were as follows:

Edmonton - Regina	1,381,000 bbls. per day
Regina - Cromer	1,357,000 bbls. per day
Cromer - Gretna	1,435,000 bbls. per day
Gretna - Superior	1,435,000 bbls. per day
Superior - Sarnia (via Straits of Mackinac)	538,000 bbls. per day
Superior - Chicago	655,000 bbls. per day
Chicago - Sarnia	375,000 bbls. per day
Sarnia - Port Credit	355,000 bbls. per day
Westover - Buffalo	145,000 bbls. per day

Operation

The system transported 408 million barrels of oil in 1972, which averaged 1,115,513 barrels per day. In February, 1973 deliveries averaged 1,466,988 barrels per day, the highest rate for one month in the company's history.

The Interprovincial system is connected with the following gathering and/or transmission pipe lines and receives deliveries from them at the points indicated.

Edmonton, Alberta

1. Gulf Alberta Pipe Line Company Limited
2. Federated Pipe Lines Ltd.
3. The Imperial Pipe Line Company, Limited (North-Redwater)
4. The Imperial Pipe Line Company, Limited (South-Leduc)
5. Peace River Oil Pipe Line Co. Ltd.
6. Gulf Oil Canada Limited Refinery
7. Pembina Pipe Line Ltd.
8. Nisku Products Pipe Line Co. Ltd.
9. Rimbey Pipeline Co. Ltd.
10. Texaco Exploration Canada Limited
11. Great Canadian Oil Sands Ltd.
12. Gibson Petroleum Company Limited
13. Rainbow Pipe Line Company Ltd.
14. Dome Petroleum Limited
15. Canadian Industrial Gas & Oil Ltd.
16. Fort Saskatchewan Pipe Line (Gulf Oil Operator)

Hardisty, Alberta

17. Gibson Petroleum Company Limited
18. Husky Pipeline Ltd.
19. Bow River Pipe Lines Ltd.
20. Hardisty Storage Pipe Line Co.
21. Chauvin Pipe Line Co. Ltd.

Kerrobert, Sask.

22. Mid-Saskatchewan Pipe Line Ltd.
23. Murphy Oil Company Ltd.
24. Dome Petroleum Limited

Regina, Sask.		
	25.	South Saskatchewan Pipe Line Company
	26.	Imperial Oil Limited Refinery
	27.	Gulf Oil Canada Limited
Cromer, Manitoba		
	28.	Trans-Prairie Pipelines Ltd.
	29.	Westspur Pipe Line Company
Griffith, Indiana		
	30.	Tecumseh Pipe Line Co.
Sarnia, Ontario		
	31.	Canada-Cities Service, Ltd.
	32.	Dome Petroleum Limited

The system is connected with the following pipe lines and delivers crude oil or products to them at points indicated.

Trans Mountain Oil Pipe Line Co.	Edmonton, Alberta
Husky Pipeline Ltd.	Hardisty, Alberta
Murphy Oil Company Ltd.	Kerrobert, Saskatchewan
Saskatoon Pipe Line Ltd.	Milden, Saskatchewan
Gulf (Saskatchewan) Pipe Line Ltd.	Stony Beach, Saskatchewan
Wascana Pipe Line Ltd.	Regina, Saskatchewan
Winnipeg Pipe Line Co. Ltd.	Gretna, Manitoba
Minnesota Pipe Line Co.	Clearbrook, Minnesota
Chicap Pipe Line Co.	Mokena, Illinois
Tecumseh Pipe Line Co.	Griffith, Indiana
Service Pipe Line Co.	Griffith, Indiana
Texas-Cities Service Pipe Line Company	Griffith, Indiana
Michigan-Ohio Pipe Line Co.	Sterling and Stockbridge, Michigan
Buckeye Pipe Line Co.	Port Huron, Mich. & Griffith, Ind.
Kiantone Pipeline Corporation	Buffalo, New York

The Interprovincial system either directly or in conjunction with its connecting carriers transports Western Canadian crude oil to refineries at:

Edmonton, Alberta
Moose Jaw & Regina, Saskatchewan
Winnipeg, Manitoba
St. Paul-Minneapolis area and Wrenshall, Minnesota
Superior, Wisconsin
West Branch, Alma, Bay City, Trenton, Carson City & Detroit, Michigan
Toledo & Canton, Ohio
Warren, Pennsylvania
Fort Wayne & Laketon, Indiana
Chicago Area
Sarnia, Clarkson, Oakville & Port Credit, Ontario
Buffalo, New York

Interprovincial Pipe Line Company
P.O. Box 398
Edmonton, Alberta

April 1, 1973

LEGEND

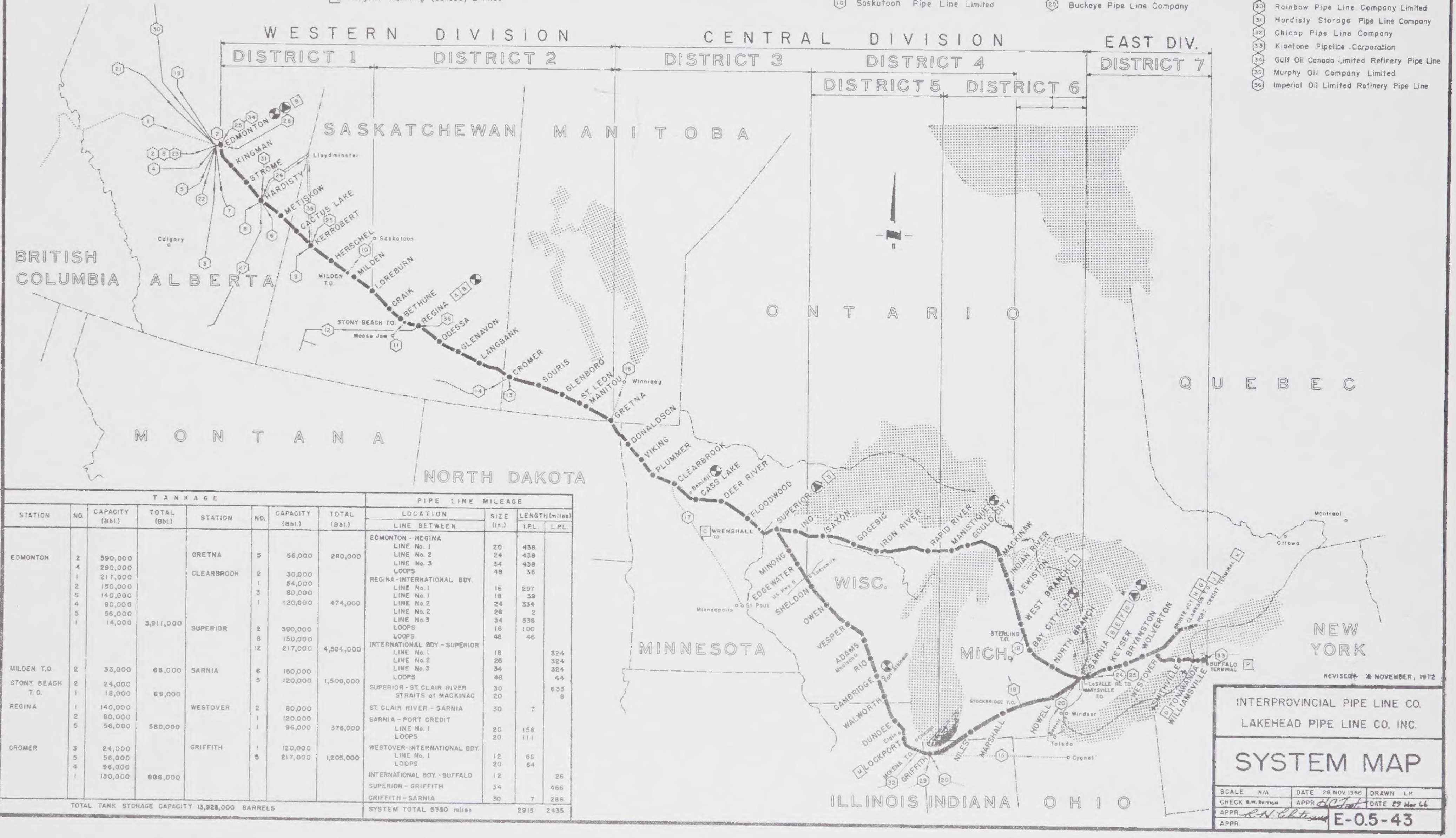
- ● Pump Station Existing
- ○ Pump Station Proposed
- Pipe Line From Delivery Point
- Pipe Line To Injection Point
- [A] Connected Refinery
- (2) Connected Crude Oil Pipe Line
- Division Office
- District Office

CONNECTED REFINERIES

- A Consumers' Co-operative Refineries Ltd.
- B Imperial Oil Limited
- C Continental Oil Company
- D Murphy Oil Corporation
- E Dome Petroleum Limited
- F Sun Oil Company Limited
- G Shell Canada Limited
- H B.P. Refinery (Canada) Limited
- J Gulf Oil Canada Limited
- K Regent Refining (Canada) Limited
- L Osceola Refining Company
- M Texaco Incorporated
- N Bay Refining Division
- O Ashland Oil Incorporated
- P Mobil Oil Corporation

CONNECTED PIPE LINES

1. Trans Mountain Oil Pipe Line Company
2. The Imperial Pipe Line Company Limited
3. Gulf Alberta Pipe Line Company Limited
4. Pembina Pipe Line Limited
5. Texaco Exploration Canada Limited
6. Chauvin Pipe Line Company Limited
7. Canadian Industrial Gas & Oil Limited
8. Gibson Petroleum Company Limited
9. Mid-Saskatchewan Pipe Lines Limited
10. Saskatoon Pipe Line Limited
11. Gulf Saskatchewan Pipe Line
12. South Saskatchewan Pipe Line Company
13. Trans-Prairie Pipelines Limited
14. Westspur Pipe Line Company
15. Tecumseh Pipe Line Company
16. Winnipeg Pipe Line Company Limited
17. Minnesota Pipe Line Company
18. Michigan-Ohio Pipeline Corporation
19. Federated Pipe Lines Limited
20. Buckeye Pipe Line Company
21. Peace River Oil Pipe Line Co. Ltd.
22. Rimbey Pipe Line Company Limited
23. Nisku Products Pipe Line Co. Ltd.
24. Canadian-Cities Service Limited
25. Dome Petroleum Limited.
26. Husky Pipeline Limited.
27. Bow River Pipe Lines Limited
28. Great Canadian Oil Sands Limited
29. Amoco Pipeline Company
30. Rainbow Pipe Line Company Limited
31. Hardisty Storage Pipe Line Company
32. Chicap Pipe Line Company
33. Kiantone Pipeline Corporation
34. Gulf Oil Canada Limited Refinery Pipe Line
35. Murphy Oil Company Limited
36. Imperial Oil Limited Refinery Pipe Line



TANKAGE							
STATION	NO.	CAPACITY (Bbl.)	TOTAL (Bbl.)	STATION	NO.	CAPACITY (Bbl.)	TOTAL (Bbl.)
EDMONTON	2	390,000		GRETNA	5	56,000	280,000
	4	290,000		CLEARBROOK	2	30,000	
	1	217,000			1	54,000	
	2	150,000			3	80,000	
	6	140,000			1	120,000	474,000
	4	80,000					
	5	56,000					
	1	14,000	3,911,000	SUPERIOR	2	390,000	
					8	150,000	
					12	217,000	4,584,000
MILDEN T.O.	2	33,000	66,000	SARNIA	6	150,000	
STONY BEACH T.O.	2	24,000			5	120,000	1,500,000
	1	18,000	66,000				
REGINA	1	140,000		WESTOVER	2	80,000	
	2	80,000			1	120,000	
	5	56,000	580,000		1	96,000	376,000
CROMER	3	24,000		GRIFFITH	1	120,000	
	5	56,000			5	217,000	1,205,000
	4	96,000					
	1	150,000	886,000				
TOTAL TANK STORAGE CAPACITY 13,928,000 BARRELS							

PIPE LINE MILEAGE			
LOCATION: LINE BETWEEN	SIZE (in.)	LENGTH (miles) I.P.L.	LENGTH (miles) L.P.L.
EDMONTON - REGINA			
LINE No. 1	20	438	
LINE No. 2	24	438	
LINE No. 3	34	438	
LOOPS	48	36	
REGINA - INTERNATIONAL BDY.			
LINE No. 1	16	297	
LINE No. 1	18	39	
LINE No. 2	24	334	
LINE No. 2	26	2	
LINE No. 3	34	336	
LOOPS	16	100	
LOOPS	48	46	
INTERNATIONAL BDY. - SUPERIOR			
LINE No. 1	18		324
LINE No. 2	26		324
LINE No. 3	34		324
LOOPS	48		44
SUPERIOR - ST. CLAIR RIVER	30		633
STRAITS of MACKINAC	20		8
ST. CLAIR RIVER - SARNIA	30	7	
SARNIA - PORT CREDIT			
LINE No. 1	20	156	
LOOPS	20	111	
WESTOVER - INTERNATIONAL BDY.			
LINE No. 1	12	66	
LOOPS	20	64	
INTERNATIONAL BDY. - BUFFALO	12		26
SUPERIOR - GRIFFITH	34		466
GRIFFITH - SARNIA	30	7	286
SYSTEM TOTAL 5350 miles		2918	2435

REVISED 8 NOVEMBER, 1972

INTERPROVINCIAL PIPE LINE CO.

LAKEHEAD PIPE LINE CO. INC.

SYSTEM MAP

SCALE N/A	DATE 28 NOV 1966	DRAWN LH
CHECK S.W. Smyth	APPR H.C. Tait	DATE 29 Nov 66
APPR R.H. Clitheroe	E-0.5-43	
APPR		